

IN THE UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF NORTH CAROLINA  
Civil Action No. 1:17-cv-00854-TDS-LPA

REBECCA KOVALICH and SUZANNE )  
NAGELSKI, )

Plaintiffs, )

v. )

PREFERRED PAIN MANAGEMENT & )  
SPINE CARE, P.A., DR. DAVID SPIVEY, )  
individually, and SHERRY SPIVEY, )  
individually. )

Defendants. )

**Exhibit 2**

IN THE UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF NORTH CAROLINA  
File No. 1:17-CV-00854-UA-LPA

REBECCA KOVALICH AND )  
SUZANNE NAGELSKI, )  
 )  
Plaintiffs, )  
 )  
vs. )  
 )  
PREFERRED PAIN )  
MANAGEMENT & SPINE )  
CARE, P.A., DR. DAVID )  
SPIVEY, individually, )  
and SHERRY SPIVEY, )  
individually, )  
 )  
Defendants. )  
\_\_\_\_\_ )

CONFIDENTIAL

Videotaped Deposition of SUZANNE D. NAGELSKI

(Taken by Defendants)

Charlotte, North Carolina

Thursday, May 17, 2018

Reported in Stenotype by  
Carolyn M. Beam

Transcript produced by computer-aided transcription  
Job No. CS2907300

1 Q. Do you belong to any clubs, organizations or  
2 churches?

3 A. No.

4 Q. And did you graduate from high school?

5 A. Yes.

6 Q. When and where?

7 A. 1985, Forsyth Country Day.

8 Q. And did you attend college?

9 A. Yes.

10 Q. And --

11 A. 1989, from UNC Charlotte.

12 Q. And what was the degree again, a BS in  
13 environmental --

14 A. Science, earth science, environmental  
15 science. It was interchangeable at that time.

16 Q. And do you have any advanced degrees?

17 A. I have a MBA from Wake Forest.

18 Q. When did you obtain that degree?

19 A. 2006. Formal graduation would have been  
20 2007.

21 Q. Okay. And when was your daughter born?

22 A. 1995.

23 Q. And did Sherry Spivey assist with child care  
24 when you were in the MBA program at Wake Forest?

25 A. Yes.

1 planning or finances?

2 A. No.

3 Q. Okay. Tell me about your MBA program.  
4 Approximately how many hours did you have to -- have  
5 to get your MBA?

6 A. I can tell you, it was the executive  
7 program. It would -- it -- it was the same as any  
8 other MB program, MBA program, they just did it at an  
9 accelerated rate.

10 Q. And what types of classes did you take to  
11 get your MBA?

12 A. Oh, everything from quantitative analysis,  
13 macro, micro econ, operations, international business,  
14 managerial finance, financial accounting, business  
15 law. Oh, they had some electives in there. And I  
16 would have to go back and look at the other ones.

17 Q. Any classes in human resources?

18 A. Yes. They -- yes, they did have the -- I  
19 called them the -- what were they called? Oh, I can't  
20 think. I will let you know. I can't think of the  
21 name. But there were a lot -- there were two classes  
22 in -- yes, there were two classes. I'm trying to --  
23 it's not coming to me. But I can let you know what  
24 they were.

25 Q. Okay. So it sounds as if your IT experience

1 then was -- came from working with computers on the  
2 job and also you said it was a hobby?

3 A. Yes.

4 Q. Okay. And the human resources experience,  
5 you had some classes in the MBA program --

6 A. Uh-huh.

7 Q. -- two classes that related to human  
8 resources. And with finance, it sounds like you had  
9 several finance --

10 A. Uh-huh.

11 Q. -- and accounting classes --

12 A. Yes.

13 Q. -- in the MBA program? Okay.

14 A. Did I say operations too?

15 Q. I'm sorry, what was that?

16 A. Operations.

17 Q. What type of operation?

18 A. Oh, it was an operations class.

19 Q. And what -- what kind of operations? What  
20 do you mean by that?

21 A. Oh, just business operations, whether you're  
22 a factory -- or factory management, whether you're  
23 looking at inventory management.

24 Q. Okay. Have you ever served in the military?

25 A. No.

1 issued against you?

2 A. No.

3 Q. Can you -- since you graduated from college,  
4 give me your list of employers, start, you know, with  
5 the first one that you had after college and then  
6 we'll work your way through it.

7 A. Okay. My first employer after college was  
8 in Pennsylvania. Do you need their name?

9 Q. Yes, please.

10 A. Groundwater Environmental Services.

11 Q. And what did you do there?

12 A. I was a staff scientist.

13 Q. And what was your salary?

14 A. At that time? That was 18-, 19,000.

15 Q. And how long were you employed?

16 A. I was there a little more than a year  
17 before -- right. I was there a year, a little more  
18 than a year.

19 Q. And where was Groundwater Environment  
20 Services located?

21 A. Exton, Pennsylvania.

22 Q. And who was your supervisor?

23 A. I -- I can't -- I couldn't tell you his  
24 name.

25 Q. Why did you leave?

1           A.       I left because I got a really good offer  
2       from a company in Charlotte.

3           Q.       Were you looking for a job at the time or  
4       did they reach out to you?

5           A.       It was a little bit of both.

6           Q.       Tell me how you came to get the job.

7           A.       When I was an undergrad at UNC Charlotte,  
8       there were graduate students that we had classes with.  
9       And one of them was in Charlotte still, after  
10      graduating. And I had made the comment about wanting  
11      to get back to Charlotte. And he said: We have a  
12      position here, and I'm recommending you. And would  
13      you be interested in flying down to interview?

14          Q.       And what was the employer?

15          A.       National Environmental Technologies.

16          Q.       And who was the individual that recommended  
17      you?

18          A.       Jeff Tepsik and Chris Repte.

19          Q.       And Chris -- what was the last name?

20          A.       Repte.

21          Q.       Repte, okay. And what was your position?

22          A.       Project manager.

23          Q.       And who was your supervisor?

24          A.       Robert Martin.

25          Q.       And what was your salary?

1 A. 27.

2 Q. And when did you start there?

3 A. Let's see. Sometime around 1991.

4 Q. And why did you leave?

5 A. Actually, it would have been around 1990.

6 So it was 1990, excuse me.

7 Q. Uh-huh.

8 A. I -- my daughter was born in '95.

9 Q. So you left when your daughter was born?

10 A. Not -- well, not at that time. I was out on  
11 leave and then I came back after leave, and realized  
12 that I had to do some balancing.

13 Q. How long did you work after your daughter  
14 was born?

15 A. I actually only stopped six months, six to  
16 eight months. I left NET. Yes.

17 Q. You left NET when?

18 A. '96.

19 Q. And your daughter was born in 1995?

20 A. Right.

21 Q. Okay. What was your next job after NET?

22 A. I worked with Ogden Environmental Services.

23 Q. When did you start there?

24 A. '96?

25 Q. And what did you do there?



1 A. Project manager.

2 Q. Did you voluntarily leave NET?

3 A. Yes.

4 Q. Okay. Did you sign any sort of severance  
5 agreement?

6 A. With NET? No.

7 Q. Have you ever signed a severance agreement  
8 with any employer?

9 A. No.

10 Q. So how long did you work for Ogden  
11 Environmental?

12 A. Well, probably three to four years.

13 Q. And what was your salary?

14 A. That's a tough one. I can't -- I can't  
15 recall.

16 Q. Do you know if it was more, less or about  
17 the same as NET?

18 A. It was more.

19 Q. And who was your supervisor?

20 A. Robert Martin.

21 Q. Did he recruit you to Ogden?

22 A. Yes. But NET was being sold off, consumed  
23 by another environmental company.

24 Q. Okay. Not Ogden?

25 A. No.

1 Q. Okay. And when did you leave Ogden?

2 A. Around -- I -- I want to say approximately  
3 2001, 2000, 2001.

4 Q. Why did you leave?

5 A. Because the job was no longer challenging.

6 Q. Where is the next job that you had?

7 A. I actually took a job at the veterinary  
8 clinic.

9 Q. When was that?

10 A. Oh, 2002.

11 Q. And what was your position?

12 A. I worked with the avian vet and performed  
13 their chemical hygiene -- wrote their chemical hygiene  
14 plan.

15 Q. How long did you work in that position?

16 A. 2004 or '5, 2005, 2005.

17 Q. So two to three years?

18 A. Yes.

19 Q. And what was your salary?

20 A. It -- I can't recall. It wasn't much.

21 Q. What vet clinic did you work at?

22 A. Lake Cross.

23 Q. And are all these positions in the Charlotte  
24 area that we've talked about, NET, Ogden and Lake  
25 Cross?

1           A.       NET. Ogden was in Huntersville. Lake Cross  
2 is in Huntersville.

3           Q.       Where did you go to work after Lake Cross?

4           A.       Oh, I went to -- I went back for my master's  
5 degree in 2005.

6           Q.       Did you work while you were getting your  
7 master's degree?

8           A.       No.

9           Q.       Did you ever take a position teaching math  
10 or science at a school?

11          A.       Oh, that, I did. That would have been in  
12 2000 -- or 1997.

13          Q.       Where was that?

14          A.       Alexander Middle School.

15          Q.       In Charlotte?

16          A.       It was in Huntersville.

17          Q.       What grade did you teach?

18          A.       Middle school.

19          Q.       Subject?

20          A.       Science.

21          Q.       And was that just the one school year?

22          A.       Yes.

23          Q.       Why did you leave?

24          A.       Oh, well, we had no support from the admin.  
25 It was very difficult.

1 A. Yes.

2 Q. You -- are you still currently a member?

3 A. No.

4 Q. When did you cease being -- being a member?

5 A. Two -- I want to -- I'm -- it was either  
6 two-thousand -- I'm not sure. I think it was 2016 or  
7 2017.

8 Q. Would it have been after you separated  
9 employment with PPM?

10 A. Oh sure. No -- yes.

11 Q. Okay. Are there any other education,  
12 registrations, activities, publications, groups, that  
13 are listed on a current version of your resume that  
14 aren't listed on here, that you recall?

15 A. I do not recall. But I will get you the  
16 current one.

17 Q. Okay.

18 A. Or --

19 Q. Okay. So let's talk a moment about how you  
20 came to be employed with PPM. Can you tell me that  
21 process?

22 A. Dr. And Mrs. Spivey moved here from  
23 California right about the time I was going through my  
24 MBA. And he had worked in Conover. He decided to  
25 start his own practice. And that's kind of -- his --

1 his wife had mentioned, had said, you know, we're  
2 gonna need help.

3 Q. Who did she mention that to?

4 A. To me.

5 Q. And what kind of help did she say that they  
6 would need?

7 A. She said financial help, office -- whatever  
8 we need. And I -- I'm paraphrasing that, because I  
9 don't recall the exact conversation.

10 Q. Did you have an interview or application or  
11 anything with Dr. or Mrs. Spivey prior to your  
12 affiliation with PPM?

13 A. No.

14 Q. At first, when you began working with PPM,  
15 were you a 1099 independent contractor?

16 A. Yes.

17 Q. When approximately did you start working as  
18 a 1099 independent contractor?

19 A. I -- it was 2007, end of 2006, starting  
20 2007. I have -- I -- I'm -- around that time.

21 Q. Okay. And who did you have most  
22 communication with about what your duties and that  
23 sort of thing was going to be?

24 A. Both.

25 Q. Both Dr. Spivey and Mrs. Spivey?

1 A. Uh-huh.

2 Q. Tell me what you understood your duties to  
3 be when you started as an independent contractor at  
4 the end of 2006 to the beginning of 2007?

5 A. My duties at that time were working with the  
6 parent company, PCP, as -- as -- and making sure our  
7 books and theirs -- I want to say sync, for lack of a  
8 better term. But keeping an eye on our -- the money  
9 coming in.

10 I did -- well, we interviewed. I hired  
11 Rebecca and I hired Lisa and interviewed several  
12 people for the clinic. So it was part HR. And then  
13 we had an IT vendor I was working with to network our  
14 computers. All the way down to, I wrote the  
15 fluoroscopy manual that he edited and used for the  
16 longest time. So when you're a company of five  
17 people, you wear many hats.

18 Q. Where was the initial location for PPMC  
19 or --

20 A. On Charlotte Boulevard.

21 Q. Okay. And were they affiliated with -- you  
22 said there was another parent company?

23 A. He was affiliated with Piedmont Community  
24 Physicians, which gave the money for the startup. So  
25 they were really a centralized -- they were the -- the

1 administrative group over a few care centers, is what  
2 they called them.

3 Q. Okay. And who initiated that relationship  
4 with PCP, Piedmont Community Physician?

5 A. That would be Rebecca. Because Dr. Spivey  
6 wanted to start his practice up pretty rapidly from  
7 the time he left Conover.

8 Q. Do you know what time he left Conover?

9 A. No.

10 Q. Okay. So when you began working with PPM as  
11 an independent contractor, during this time period,  
12 when it's starting -- so that's the time period I want  
13 to start talking about now -- you said you hired Lisa.  
14 Who is the Lisa that you're referring to?

15 A. Well, we hired -- or Lisa Palmer, in 2007.  
16 We had interviewed and offered a position to one of  
17 Dr. Hill's nurses who was looking. Another -- we were  
18 looking at a clinic staff, building a clinic staff.  
19 And I -- I -- I can't give you any other names than  
20 that. I spend two Saturdays there interviewing.

21 Q. At the Charlotte Lloyd --

22 A. Yes.

23 Q. -- Boulevard location? Who else  
24 participated in the interviews?

25 A. Rebecca Kovalich.

1 Q. At some point, did your status as an  
2 independent contractor change?

3 A. Yes.

4 Q. When did that happen?

5 A. 2013.

6 Q. And what was the reason for the change?

7 A. The reason for the change was with the onset  
8 of the Affordable Care Act. The IRS was cutting  
9 down -- cutting -- cracking down on independent  
10 contractors who were being kept as either employees at  
11 bay or did not have more than one client.

12 Q. Uh-huh.

13 A. So if they -- they could have potentially  
14 come down and fined both me and Dr. Spivey. So I told  
15 him I was just -- I was going on payroll.

16 Q. Uh-huh. Do you remember when you had this  
17 conversation with him?

18 A. Oh, it would have been around February of  
19 '13.

20 Q. And at that time, did you discuss a salary?

21 A. It was still my rate is -- I think that's  
22 what we agreed upon, was my current rate.

23 Q. Which was what?

24 A. It was 25 or 30. I -- I have to go back and  
25 look. Well, actually I can't look. It should be --



1 it would have been my current rate on payroll.

2 Q. So when you became an employee, did you do  
3 an offer letter for yourself or, you know --

4 A. No.

5 Q. -- do sign employee --

6 A. No.

7 Q. -- handbook acknowledgements?

8 A. No.

9 Q. Do you know when PPM moved to the Maplewood  
10 location?

11 A. January or February of 2014.

12 Q. At some point, did your duties change from  
13 the initial startup time period?

14 A. They just developed; they didn't really  
15 change.

16 Q. Tell me about that.

17 A. In 2011, we separated from Piedmont  
18 Community Physicians. So we had to take on our own  
19 employees. I had to set up benefit plans, get  
20 payrolls transferred, make sure nobody loses anything  
21 on their 401(k). PPM had to buy out the employees.  
22 And -- and then, of course, the insurance contracts  
23 had to be changed as well.

24 Q. What do you mean, PPM had to buy out the  
25 employees?

1           A.     Right. They can --

2           Q.     Okay. And you were saying that your duties  
3     had developed and you cited this example in 2011. Is  
4     there any other ways that your duties developed?

5           A.     We had -- well, I -- I oversaw the IT  
6     vendors and the networking and putting -- giving  
7     employees, you know, user access, which goes right on  
8     with payroll and HR work. And then, going through  
9     monthly financials and looking at the overall  
10    production of the company, in trying to do basically  
11    end-of-the-year analysis on our taxes and a cash flow  
12    projection.

13          Q.     Any other ways that your duties developed?

14          A.     I did quite a bit of work with the  
15    accountants, as far as, you know, mitigating any tax  
16    liabilities. Doctor -- in 2008, 2009 -- oh, wait, let  
17    me back up. I did -- 2013. Hmm. Give me just a  
18    minute. 2013, we switched financial institutions.  
19    Let me back that up. Let me back that up to 2012, we  
20    did. Early 2012, we switched financial institutions.

21                 And, yes, we started gathering, looking at  
22    spinning off the different business unit -- or not  
23    spinning off the business unit. We looked at adding  
24    an ancillary service, a physician-owned lab, to the  
25    practice.

1 Greensboro for a while. We finally -- I purchased the  
2 building that he's in in 2015.

3 Q. Do you know when PPM started providing  
4 services in Greensboro?

5 A. I want to say 2011. I believe that was it.  
6 No, 2012? 2011 or '12.

7 Q. And what were the main services performed  
8 out of the Greensboro location?

9 A. Other than office visits and injections,  
10 that was about what he was doing there.

11 Q. Were there any lab functions in Greensboro?

12 A. The lab started -- I'm trying to think of  
13 the career route. There were lab -- yes, there were  
14 lab functions. But I can't tell you when they  
15 started.

16 Q. There were lab functions in Greensboro?

17 A. Yes. In --

18 Q. But you don't --

19 A. In --

20 Q. -- know when they started?

21 A. In that patient urines were brought to the  
22 office.

23 Q. And let me make sure I understand what you  
24 said. You said patient urines were brought to the  
25 office?

1 services to move.

2 Q. Do you know if your mother, Ms. Kovalich,  
3 and Mary Benton had any sort of relationship prior to  
4 Mary Benton working with Dr. Spivey and PPM?

5 A. No.

6 Q. What is Dr. Spivey's role at PPM?

7 A. The owner, basically, a hundred percent S  
8 Corp owner.

9 Q. And what kind of duties does he do at PPM?

10 A. As a business owner and physician, he  
11 ensures that everything -- he -- I mean, patient  
12 health, all the way to, you know, viability of his  
13 company.

14 Q. What is Sherry Spivey's role with PPM?

15 A. Prior to our move?

16 Q. To which location?

17 A. To Maplewood. She would be our RN, nurse on  
18 call. She started out as Dr. Spivey's fluoroscopy  
19 nurse in -- at the Char Lynn location, until he  
20 found -- until he hired somebody. And -- and then she  
21 would fill in. As time grew, she played more and more  
22 of a role as the RN, as a clinic coord -- clinic  
23 coordinator, clinic lead, clinic --

24 Q. Clinic manager?

25 A. Clinic manager.

1 Q. How would you describe your relationship  
2 with Dr. Spivey at the time you began working with PPM  
3 as an independent contractor?

4 A. We never had a relationship. I mean, a  
5 personal one. So it was professional. Our personal  
6 relationship was that he was Sherry's husband.

7 Q. How would you describe your relationship  
8 with Sherry Spivey at the time you became an  
9 independent contractor with PPM?

10 A. Well, she was his wife, my aunt. And it was  
11 okay. It was fine.

12 Q. Did the relationship with Dr. Spivey change  
13 over time?

14 A. I don't -- how so? Or could you rephrase  
15 that?

16 Q. There is some references in the complaint, I  
17 believe, about the relationship changing at some point  
18 or things becoming different than they were at the  
19 beginning.

20 A. He was my supervisor. If -- whatever I  
21 needed, if I had a question, he was the one. If he  
22 gives me guidance, I take it. But I mean, he was my  
23 supervisor.

24 Q. What about your relationship with Sherry  
25 Spivey? Did that change over time during your

1 employment with PPM?

2 A. Well, as she -- she -- it did. The more  
3 time she spent in the clinic and as an employee, it  
4 did. She -- yes, it changed.

5 Q. How did it change?

6 A. Well, she -- for example, she and another  
7 employee took on looking for an EHR system. Which was  
8 fine.

9 Q. Is that Jennifer Bailey?

10 A. Yes. From an IT perspective, I believe she  
11 was enquiring as to our setup.

12 Q. Is that Sherry Spivey --

13 A. Yes.

14 Q. -- or Jennifer?

15 A. Sherry and Jennifer. I'm not sure what  
16 happened in what order. But I had my IT privileges  
17 revoked, my administrative privileges. Because  
18 Ms. Spivey perceived me as being able to spy on her  
19 while she was working on the computer on a file on her  
20 thumb drive. And the way that you would pull up  
21 Windows, she misunderstood administrator as, you know,  
22 somebody to be able to give privileges to new -- and  
23 emails to new employees. That's considered, you know,  
24 administrative access. But I think she believe it was  
25 more along the lines of I could sit there and spy on

1 her work while she worked.

2 Q. And this would have been in 2014; is that  
3 correct?

4 A. Yes.

5 Q. So when the IT privileges were revoked in  
6 2014, did you ever get those back?

7 A. I had a meeting in March of 2014 that I went  
8 through. I drove up to Winston to meet Dr. Spivey for  
9 a planned meeting, was met with these accusation.

10 Q. By whom?

11 A. Mrs. Spivey and Jennifer Bailey, in a  
12 meeting with Dr. Spivey. At the conclusion of the  
13 meeting, he offered me my IT privileges --  
14 administrative privileges back, for which I denied.

15 Q. Did you have any role in IT after March  
16 2014?

17 A. I did. But all I would do is make sure that  
18 our IT vendors at the time for -- well, 2014, for the  
19 remainder of that year, I had them set up new user  
20 accounts.

21 Q. When you were an independent contractor at  
22 the beginning of your relationship with PPM,  
23 approximately how many hours per week would you work?

24 A. How many hours a week would I bill is more  
25 the question. In 2007, is that -- I -- I -- I -- I'm

1 that I was on site from that IP address. I mean, I  
2 basically went in and sat in the conference room; you  
3 couldn't miss me.

4 Q. And then it's your testimony you were there  
5 approximately how often a week?

6 A. At least twice.

7 Q. And from what period of time would you say  
8 you were there in the office at least two times a  
9 week?

10 A. It -- I can't answer that directly. It  
11 would depend on what I was working on. For example,  
12 the move. I was there three days, four days.

13 Q. To help with the move between the Thursday  
14 and the Monday?

15 A. Well, even preceding that. It all had to go  
16 off without a hitch. So if the demand was there  
17 for -- I was there.

18 Q. Okay. In the complaint, you reference a  
19 [REDACTED]

20 [REDACTED] Can you tell me about what you know about that?

21 A. I was supposed to talk to Dr. Spivey that  
22 Friday. I wasn't -- we didn't talk. I wasn't able to  
23 get ahold of him. I -- within the hours, the evening  
24 that followed, I had gotten a phone call from  
25 Mrs. Spivey, saying that [REDACTED]



1 was going to sleep like a baby.

2 Q. What's the next thing that happened?

3 A. In our conversation? I don't understand  
4 your question.

5 Q. Well, I didn't know. I mean, I'm just  
6 asking: What is the next thing that happened? I  
7 mean, if there were other things said during the  
8 conversation, yes, I would like to hear about that.

9 A. I wanted her to give me the number of our  
10 business attorney, so I could contact our business  
11 attorney.

12 Q. And who was that?

13 A. Jim Wall.

14 Q. Did she give it to you?

15 A. No.

16 Q. Did she say why?

17 A. She said Elizabeth had the phone and she was  
18 going to bed.

19 Q. Anything else happen during that  
20 conversation?

21 A. No.

22 Q. What's the next thing that happened?

23 A. That night, I -- I actually got ahold of Jim  
24 Wall.

25 Q. How did you get his number?

1           A.       -- Jim Wall. Or it was -- it was either --  
2       I do not know. It wasn't -- it didn't come from me.  
3       It was -- it didn't come from me.

4           Q.       Did you ever come to understand [REDACTED]

5       [REDACTED]

6           A.       There was his story and there was her story.

7           Q.       Okay. What was Dr. Spivey's story?

8           A.       He was having a nice afternoon. He was  
9       decorating for Christmas. He did some grocery  
10      shopping. He took his daughter, Elizabeth, for a ride  
11      in his new car. [REDACTED]

12      [REDACTED]

13      [REDACTED]

14      [REDACTED]

15      [REDACTED]

16      [REDACTED]

17      [REDACTED]

18      [REDACTED]

19      [REDACTED]

20      [REDACTED]

21      [REDACTED]

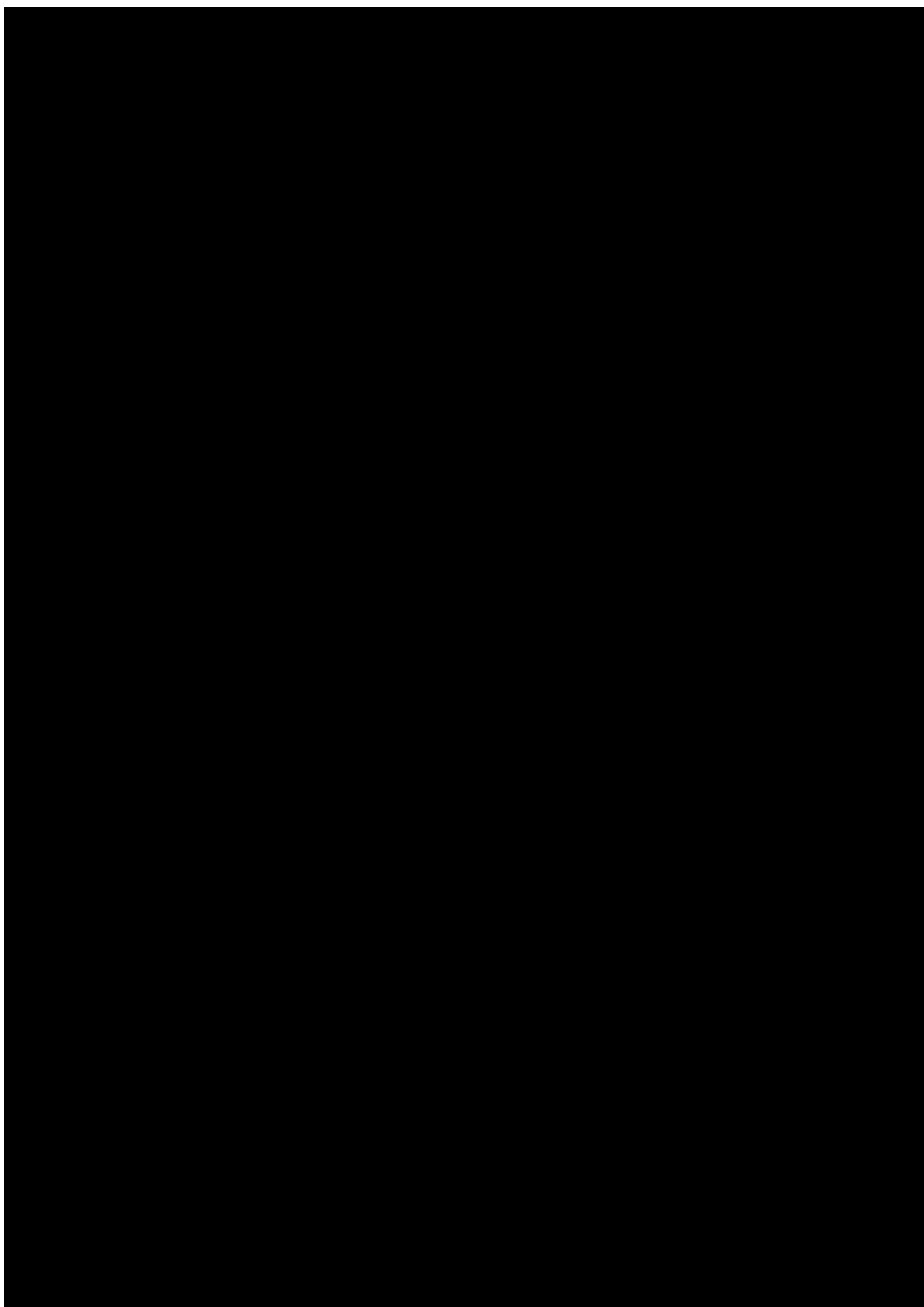
22      [REDACTED]

23      [REDACTED]

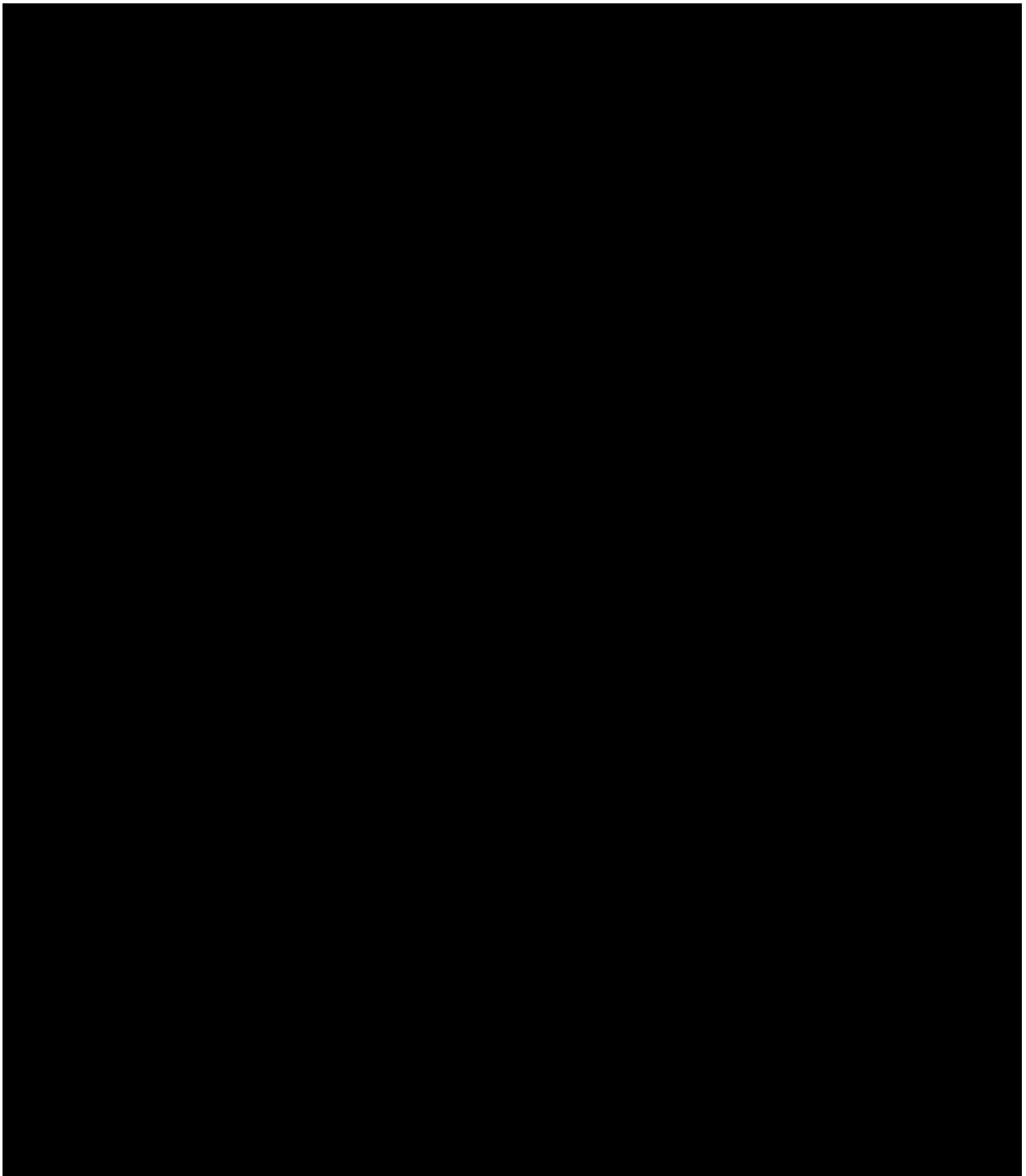
24      [REDACTED]

25      [REDACTED]

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MS. SMITH: And I want to say that we have a protective order in the case. So I'm going to reserve my right to designated portions of the transcript confidential. So we'll just deem the whole transcript

1 several days?

2 A. Several days. What -- you know, I would try  
3 to ask her -- or correspond with her, when is good, or  
4 I would try to call her extension, and I couldn't --  
5 there was nothing?

6 Q. So were you in Winston-Salem when you were  
7 making these attempts to talk with her or was it --

8 A. Both.

9 Q. And when you say both, you're talking about  
10 your home office and Winston?

11 A. Yes. And if she wanted to sit down and  
12 talk, I would be in Winston to sit down and talk. Or  
13 when she said, I will be there at 4:00 one day, she  
14 wasn't.

15 Q. So you attempted to meet up with her, you  
16 were unsuccessful, and it just dropped after that?

17 A. Right. I'm not sure if she quit or if she  
18 was terminated. You would have to check those  
19 records.

20 Q. Okay. Who was responsible for setting up  
21 the cash balance plan?

22 A. That was a project that I came -- that Vince  
23 and I came up with to enhance Dr. -- well, to provide  
24 more employee benefits, including benefits to  
25 Dr. Spivey's retirement.

1 Q. Explain your understanding of how this  
2 works.

3 A. It's a hybrid pension plan. And the older  
4 you are, the more you would have to put in versus the  
5 younger employees. And it's for -- there's -- they  
6 have to be completely vested after three years of  
7 working at PPM. And then they would have funds for  
8 their retirement. So much is put away. If they leave  
9 PPM, they do have access -- I believe they have access  
10 to them. I'd have to go back and look at the plan.  
11 If you were vested, you would have access to how many  
12 years you were employed at -- and a hundred percent  
13 vested and based upon your age and time served.

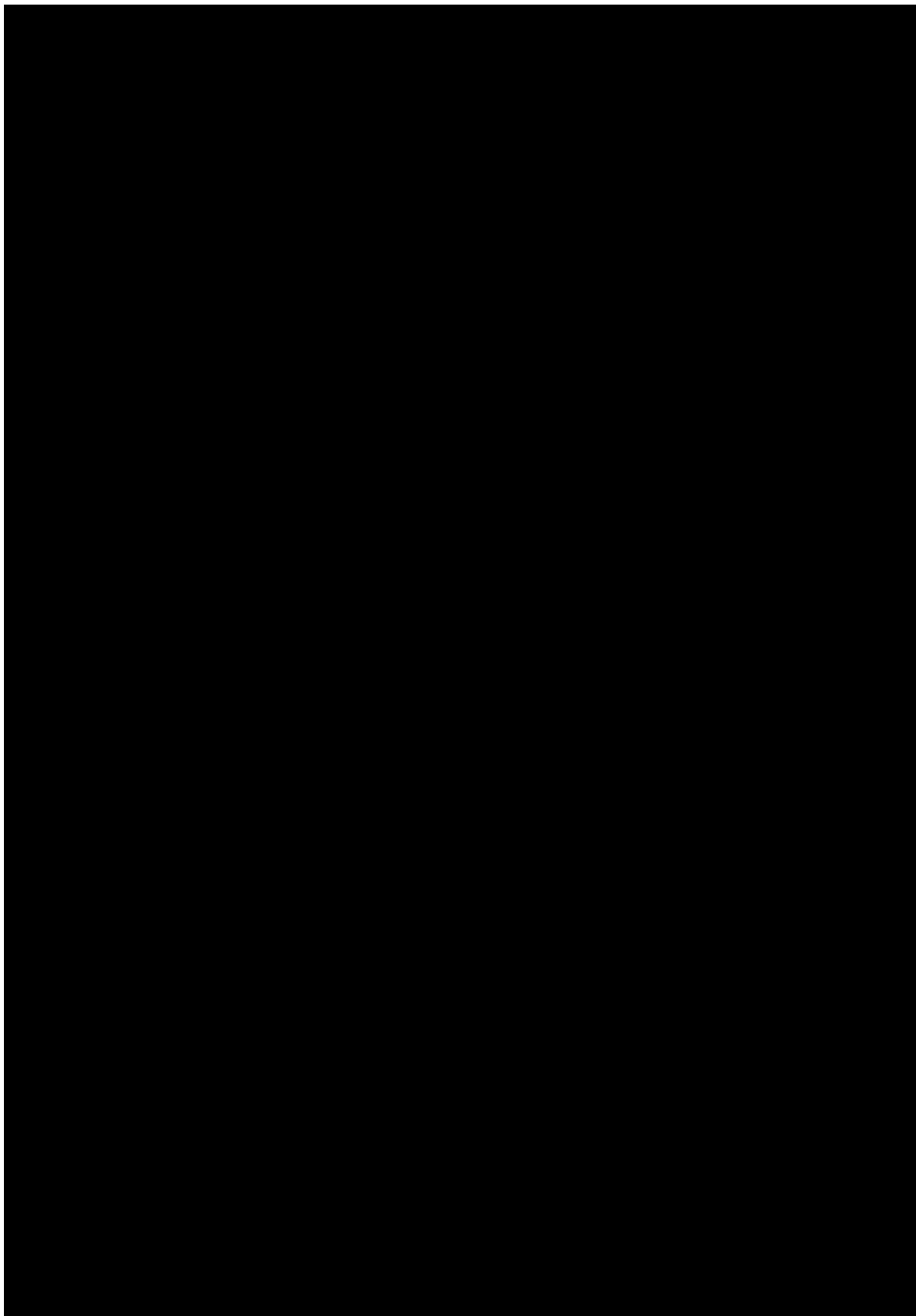
14 Q. Okay. And what did you have to do to become  
15 one hundred percent vested?

16 A. You had to be employed for three years. We  
17 actually retro-ed it one year, when we -- the year we  
18 initiated it. We retro-ed it to the previous year.  
19 Because you could do that. And then that would at  
20 least chew up some of our tax liability and provide  
21 more retirement benefits for the Spiveys.

22 Q. And do you know when the cash balance plan  
23 was put into place?

24 A. Oh, gosh. Let's see. I remember working on  
25 it. I remember getting it into place for 2014. So it

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